

Message Text

CONFIDENTIAL

PAGE 01 OTTAWA 02207 01 OF 02 282005Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 DODE-00 NSAE-00 ICA-11
TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 ACDA-12
INR-10 IO-13 L-03 NSC-05 NRC-05 OES-07 SS-15
SP-02 CEQ-01 MCE-00 PM-05 /127 W
-----096720 282022Z /72

P 281951Z MAR 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC PRIORITY 7233
INFO AMEMBASSY BUCHAREST

C O N F I D E N T I A L SECTION 01 OF 02 OTTAWA 02207

STATE FOR EUR/CAN AND OES/NET; PASS TO DOE/ISA/HUDGINS

E.O. 11652: GDS
TAGS: TECH, MARR, RO, CA
SUBJECT: CANADIAN/ROMANIAN NUCLEAR NEGOTIATIONS - U.S.
ROLE IN EQUIPMENT SALES

1. ON 27 APRIL, J. R. MC KINNEY, DIRECTOR GENERAL, BUREAU OF UNITED STATES AFFAIRS IN GOC EXTAF MET WITH DCM TO DISCUSS U.S. ROLE IN EXPORT OF CANDU REACTOR EQUIPMENT TO ROMANIA.
2. MC KINNEY SAID HE LEARNED THAT REPRESENTATIVES OF DOE WERE PLANNING TO VISIT FOSTER WHEELER LTD AT ST. CATHARINES, ONTARIO ON MAY 5 TO DISCUSS THE APPLICATION OF U.S. EXPORT CONTROL PROCEDURES TO NUCLEAR EQUIPMENT MANUFACTURED IN CANADA.
3. HE CITED SEPTEMBER 1977 LETTER FROM DOE TO MANUFACTURERS ASKING EACH TO DISCUSS ITS PLANS TO EXPORT ANY CANDU COMPONENTS TO ROMANIA. HE ALSO STATED THAT AECL HAD SENT A LIST OF COMPONENTS AND EQUIPMENT, WHICH MIGHT BE SOLD TO ROMANIA, TO ERDA IN DECEMBER 1976 AND, STILL HAS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 OTTAWA 02207 01 OF 02 282005Z

RECEIVED NO REPLY.

4. MC KINNEY STATED THAT SINCE "TEN TO FIFTEEN PERCENT" OF THE CANDU HARDWARE IS MANUFACTURED IN THE U.S. AND SOME OF THE TECHNOLOGY IS OF U.S. ORIGIN, IT IS IMPORTANT TO IDENTIFY "SPECIFICS" IF THERE ARE TO BE ANY PROBLEMS IN THE TRANSFER OF CANDU HARDWARE AND TECHNOLOGY TO ROMANIA.

CANADA ALSO HAS TO GO THROUGH THE COCOM ROUTE FOR EXPORT.

5. MC KINNEY EXPRESSED CONSIDERABLE CONCERN THAT A) THE GOC HAS NOT RECEIVED AN ANSWER TO THEIR 1976 REQUEST ABOUT ANY CRITICAL ITEMS, B) THAT DOE APPARENTLY IS DEALING DIRECTLY WITH CANADIAN FIRMS ABOUT A POLITICALLY SENSITIVE AREA, C) THAT THE U.S. MAY BE IMPOSING ITS EXPORT POLICY ON A CANADIAN MANUFACTURER, AND D) THAT NO REPRESENTATIVES OF THE GOC WERE INVITED TO THE PROPOSED MAY 5 MEETING WITH FOSTER WHEELER, LTD.

6. SCICOUNS DISCUSSED THIS SUBJECT WITH PAUL LABERGE OF EXTAF AND WITH GORDON LEAIST OF AECL AND WENT THROUGH THE HISTORY OF AECL/ERDA/STATE DISCUSSIONS ON THIS SUBJECT. THEY WERE REMINDED THAT IT WAS RECOGNIZED BY ALL PARTIES AT THE BEGINNING THAT THERE MAY BE SOME PROBLEMS IN THE EXPORT OF U.S. MANUFACTURING TECHNOLOGY, ASSOCIATED WITH CERTAIN CANDU COMPONENTS, IF THE TECHNOLOGY WERE A) OF U.S. MILITARY SIGNIFICANCE, OR B) PROPRIETARY TO A U.S. FIRM. IT ALSO WAS NOTED THAT THE GOC HAD NOT EXPRESSED URGENCY PREVIOUSLY, IN GETTING THE "SPECIFICS" RESOLVED, SINCE ITS NEGOTIATIONS WITH ROMANIA HAVE BEEN GOING ON FOR THREE YEARS. THE PARTICIPATION OF GOC COGNIZANT OFFICIALS IN ANY DISCUSSIONS WITH CANADIAN MANUFACTURERS HAS ALWAYS BEEN WELCOMED AND EXPECTED.

CONFIDENTIAL

CONFIDENTIAL

PAGE 03 OTTAWA 02207 01 OF 02 282005Z

7. THE CANADIAN RESPONSE WAS THAT THEY HOPE THAT THE U.S. IS NOT GOING TO "THROW A MONKEYWRENCH INTO THE GOC/ ROMANIAN NEGOTIATIONS AT THE LAST MINUTE" AND URGED RAPID ACTION ON THE PART OF DOE AND OTHER U.S. AGENCIES WHICH MAY BE INVOLVED IN THE APPROVAL CHAIN.

8. LABERGE SAID THAT EXTAF HAS NO OBJECTION TO A DOE VISIT TO FOSTER WHEELER, LTD., IN FACT, THEY WOULD WELCOME IT, IF IT CAN ACCELERATE THE APPROVAL SCHEDULE. THE ONLY CONCERN IS THAT THEY WANT THE REQUEST TO BE SENT THROUGH FORMAL CHANNELS, WITH NAMES OF THE PARTICIPANTS, WITH AN AGENDA OF TOPICS TO BE DISCUSSED, AND WITH AN INVITATION FOR CANADIAN PARTICIPATION.

9. WHEN ASKED ABOUT THE STATUS OF THE GOC/ROMANIAN NUCLEAR NEGOTIATIONS, THE AECL REPRESENTATIVE REPLIED THAT ROSS CAMPBELL, CHAIRMAN, AND JIM DONNELLY, PRESIDENT, OF AECL WERE IN BUCHAREST ON APRIL 10-12, 1978 IN RESPONSE TO A GOR REQUEST TO GET ON WITH THE NEGOTIATIONS.

10. FIVE MORE CANADIANS ARE GOING TO ROMANIA THIS WEEK-END, THE GROUP BEING HEADED BY THE VICE PRESIDENT, FINANCE,

OF AECL.

11. AS REPORTED PREVIOUSLY, THE LICENSING AGREEMENT FOR THE EXPORT OF CANDUS WAS INITIALED BY THE TWO COUNTRIES SOMETIME AGO, AND THE CURRENT PROBLEM HAS BEEN THE ENGINEERING SERVICES AGREEMENT. AECL HAS BEEN PUSHING FOR A COST-PLUS, REIMBURSEMENT ARRANGEMENT AND THE GOR FOR A FIRM PRICE. AECL IS NOW IN A POSITION TO OFFER THE LATTER.

12. LEAIST TOLD THE EMBOFF THAT ALTHOUGH THERE IS STRONG PRESSURE TO MOVE IMMEDIATELY, IT IS HIS OPINION THAT IT

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 OTTAWA 02207 02 OF 02 282006Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 DODE-00 NSAE-00 ICA-11
TRSE-00 SOE-02 DOE-15 CIAE-00 COME-00 ACDA-12
INR-10 IO-13 L-03 NSC-05 NRC-05 OES-07 SS-15
SP-02 CEQ-01 MCE-00 PM-05 /127 W
-----096779 282022Z /72

P 281951Z MAR 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC PRIORITY 7234
INFO AMEMBASSY BUCHAREST

C O N F I D E N T I A L SECTION 02 OF 02 OTTAWA 02207

WILL BE THE END OF SUMMER BEFORE THE AGREEMENTS ARE WRAPPED UP.

13. HOWEVER, WITH A DETERMINATION STILL TO BE MADE BY THE U.S. ON POSSIBLE LIMITS ON THE EXPORT OF MANUFACTURING TECHNOLOGY, WITH THE REQUIREMENT FOR EXPORT PERMITS ON U.S. MANUFACTURED COMPONENTS, AND WITH THE NECESSITY FOR CANADA TO CLEAR EXPORTS THRU COCOM, THE TIME AVAILABLE FOR ALL OF THESE STEPS TO BE TAKEN APPEARS TO BE SHORT.

14. THE EMBASSY WILL REQUIRE THE INFORMATION DESCRIBED IN PARA 8 ABOVE ON THE FORTHCOMING DOE VISIT TO FOSTER WHEELER, LTD., TO ASSIST IN VISIT ARRANGEMENTS. ENDERS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, EQUIPMENT, NEGOTIATIONS, NUCLEAR POWER PLANTS, NUCLEAR REACTORS
Control Number: n/a
Copy: SINGLE
Draft Date: 28 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978OTTAWA02207
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780182-0820
Format: TEL
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780316/aaaaanif.tel
Line Count: 165
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: cf2afebb-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08 jul 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3176682
Secure: OPEN
Status: NATIVE
Subject: CANADIAN/ROMANIAN NUCLEAR NEGOTIATIONS - U.S. ROLE IN EQUIPMENT SALES
TAGS: TECH, MARR, RO, CA
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/cf2afebb-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014